

MARICOPA ASSOCIATION OF GOVERNMENTS

INFORMATION SUMMARY... for your review

DATE:

November 30, 2010

SUBJECT:

Statement Regarding Human Services Funding Reductions

SUMMARY:

In July 2010, the MAG Human Services Coordinating Committee (HSCC) expressed growing concern about the impact of funding reductions made to human services programs. The HSCC worked with the MAG Human Services Technical Committee to develop a statement reflecting this concern. The goal of the statement is to raise awareness about the impact of human services funding reductions on the community, programs, and people relying on these services. HSCC is requesting that the statement be accepted for distribution through MAG's email distribution lists and newsletters, by MAG member agencies, and by community partners.

The MAG Human Services Technical Committee unanimously voted in favor of the statement on October 14, 2010. The MAG Human Services Coordinating Committee unanimously voted in favor of the statement on October 20, 2010. The MAG Management Committee unanimously voted in favor of the statement on November 10, 2010.

PUBLIC INPUT:

An opportunity for public input was made available at the MAG Human Services Technical Committee meeting in October. No public input was received. An opportunity for public input was also made available at the MAG Human Services Coordinating Committee meeting in October. A member of the MAG Human Services Technical Committee expressed support for the statement.

PROS & CONS:

PROS: Information about the affects of funding reductions helps the region to mitigate any unintended consequences and to fully prepare the region to meet the needs of its residents. This information also helps to dispel misconceptions about the effects of funding reductions and the ability of the region to maintain adequate service delivery.

CONS: Many worthwhile programs have experienced funding reductions. Advocating for one program may be perceived to be in competition with another program.

TECHNICAL & POLICY IMPLICATIONS:

TECHNICAL: Funding reductions are being made to human services at a time when the demand for these services is increasing. The U.S. Census Bureau recently announced Arizona has the second highest poverty rate in the country. The number of people receiving food stamps jumped nearly 20 percent from August 2009 to August 2010 to include 1,047,779 people throughout the state, according to the Association of Arizona Food Banks. Funding human services programs provides assistance to individuals and positively impacts the local economy. The Center on Budget and Policy Priorities reports people with low incomes spend nearly all their income to pay their bills, generally comprising local goods and services. In addition, every dollar spent on child care or job training yields nearly two dollars, according to Cornell University. According to the Center on Budget and Policy Priorities, cash

assistance and food stamps yield the same return on investment. This money is put back into the economy when people pay for local goods and services. Tax revenue generated by these transactions flows back into the local economy as well.

POLICY: Many difficult budget decisions are being made due to the recession. The challenge is how to meet the needs of vulnerable residents with fewer resources. Each person, agency, and government has a role in meeting this goal. The opportunity is to do so collaboratively in a way that efficiently maximizes available resources. Intervention now can promote people being more self-reliant in the future. As a result, reducing funding for human services programs may satisfy the short-term goal of balancing the budget, but it can impede the long-term goal of building a strong community.

ACTION NEEDED:

Acceptance of the statement regarding human services funding reductions.

PRIOR COMMITTEE ACTIONS:

The MAG Management Committee unanimously voted in favor of the statement on November 10, 2010.

MEMBERS ATTENDING

- | | |
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| Carl Swenson, Peoria, Chair | Bill Hernandez, Guadalupe |
| Charlie Meyer, Tempe, Vice Chair | Sonny Culbreth for Darryl Crossman,
Litchfield Park |
| # George Hoffman, Apache Junction | Christopher Brady, Mesa |
| Charlie McClendon, Avondale | Jim Bacon, Paradise Valley |
| Stephen Cleveland, Buckeye | Ed Zuercher for David Cavazos, Phoenix |
| * Gary Neiss, Carefree | John Kross, Queen Creek |
| * Usama Abujbarah, Cave Creek | * Bryan Meyers, Salt River Pima-Maricopa
Indian Community |
| Patrice Kraus for Rich Dlugas, Chandler | David Richert, Scottsdale |
| Pat Dennis for Rick Flaaen, El Mirage | Michael Celaya for Mark Coronado, Surprise |
| * Phil Dorchester, Fort McDowell Yavapai
Nation | * Reyes Medrano, Tolleson |
| Rick Davis, Fountain Hills | Gary Edwards, Wickenburg |
| Rick Buss, Gila Bend | * Lloyce Robinson, Youngtown |
| * David White, Gila River Indian Community | Rob Samour for John Halikowski, ADOT |
| Collin DeWitt, Gilbert | * David Smith, Maricopa Co. |
| Brent Stoddard for Ed Beasley, Glendale | David Boggs, Valley Metro/RPTA |
| Mark Gaillard for John Fischbach, Goodyear | |

- * Those members neither present nor represented by proxy.
- # Participated by telephone conference call. + Participated by videoconference call.

The MAG Human Services Coordinating Committee voted unanimously to recommend approval of the statement regarding human services funding reductions on October 20, 2010.

MEMBERS ATTENDING

- | | |
|---|---|
| Councilmember Trinity Donovan, Chandler,
Chair | + Councilmember Manuel Martinez, Glendale |
| * Arleen Chin, Tempe Community Council | * Vice Mayor Michael Nowakowski, Phoenix,
Vice Chair |
| Laura Guild for Susan Hallett, Arizona
Department of Economic Security | JoAnne Osborne, Councilmember, Goodyear |
| * Councilmember Dennis Kavanaugh, Mesa | Councilmember John Sentz, Gilbert |
| + Mayor Marie Lopez Rogers, Avondale | * Supervisor Mary Rose Wilcox, Maricopa Co.
Councilmember Mike Woodard, Surprise |

- +Those members present by audio/videoconferencing.
- *Those members neither present nor represented by proxy.

The MAG Human Services Technical Committee voted unanimously to recommend approval of the Statement Regarding Human Services Funding Reductions on October 14, 2010.

COMMITTEE MEMBERS

- Christina Avila for Sylvia Sheffield, Avondale, Chair
- Paul Ludwick, Scottsdale, Vice Chair
- Keith Burke for Kathy Berzins, Tempe
- + Kyle Bogdon, DES/ACYF
- Judith Fritsch for Laura Guild, DES/DAAS/OCS
- Tim Cole for Jeffery Jamison, Phoenix
- Jessica Gonzalez for Deanna Jonovich, Phoenix
- Jim Knaut, Area Agency on Aging
- * Margarita Leyvas, Maricopa County
- Joyce Lopez-Powell, Valley of the Sun United Way
- Steven MacFarlane, Phoenix
- + Jayson Matthews, Tempe Community Council
- * Joy McClain, Tolleson
- Carl Morgan, Gilbert
- Marty Finnegan for Carol Sherer, DES/DDD
- + Leah Powell, Chandler

- + Those members present by audio/videoconferencing.
- * Those members neither present nor represented by proxy.

CONTACT PERSON:

Amy St. Peter, MAG Human Services Manager, (602) 254-6300.

To Elected Officials and Policymakers:

As elected officials and members of the Maricopa Association of Governments (MAG) Human Services Coordinating Committee, we are acutely aware of the shared sacrifices that have been made to address the recent downturn in the economy. Funding has been reduced for many worthy programs due to budget constraints. As a Committee dedicated to human services, it is important that we give voice to those who are suffering greatly in our region. Addressing the needs that exist in our region is not the sole responsibility of any one sector or agency. It is the collective responsibility we have for each other. By collaborating across all sectors and among all people, we can address the significant needs facing our region and strengthen our communities.

Life has changed dramatically as a result of the budget reductions to human services programs. Every day, thousands of people in this region live with more violence and poverty than ever before. Avenues to achieve self-sufficiency are harder to find without child care, job training, and health care to keep people healthy and productive. The safety net that has kept people working and housed is being dismantled when it is needed the most. According to Protecting Arizona's Family Coalition (PAFCO), impacts to the state include the following:

- Children and vulnerable older adults will be exposed to more violence, abuse, and neglect because the State will no longer investigate 100 percent of reports.
- Families attempting to work will face significant challenges in securing safe, affordable child care. There are currently 20,000 children on a wait list for child care. Additionally, child care copayments have been increased, making it more expensive for families with low incomes once they receive child care.
- Up to 39,000 people in Arizona have lost cash assistance entirely with the new 36 month lifetime limitation. Families who are able to receive benefits are receiving 20 percent less in the form of cash assistance, reducing the average monthly benefit to \$297 a month.
- Access to medicine has been severely diminished for 89,000 people with low incomes who lost prescription drug support as a result of 2009 budget cuts.
- More than 4,200 children are now ineligible to receive services through Medicaid.

Funding reductions to human services programs may meet the short-term goal of reducing the budget, but they work against the long-term goal of building a strong community. The U.S. Census Bureau recently announced Arizona has the second highest poverty rate in the country. The number of people receiving food stamps jumped nearly 20 percent from August 2009 to August 2010 to include 1,047,779 people throughout the state, according to the Association of Arizona Food Banks. Additional funding reductions will place even more people in danger and impair the region's ability to rebound from the recession.

Funding for human services programs has decreased across the board. The Arizona Department of Economic Security has sustained 33 percent of general fund cuts throughout the last three years, according to PAFCO. In a MAG study, both nonprofit and local government agencies indicated they are straining under the current budget reductions to keep their doors open. More than three quarters of the respondents planned to eliminate services as a result of funding

reductions. This is after 85 percent had reduced their overhead, 94 percent had increased fundraising efforts, and nearly 70 percent laid off staff.

Human services programs help people live more independently and to be less reliant on public assistance in the future. The Center on Budget and Policy Priorities reports people with low incomes spend nearly all their income to pay their bills, generally comprising local goods and services. In addition, every dollar spent on child care or job training yields nearly two dollars, according to Cornell University. According to the Center on Budget and Policy Priorities, cash assistance and food stamps yield the same return on investment. This money is put back into the economy when people pay for local goods and services. Tax revenue generated by these transactions flows back into the local economy as well. Funding human services programs benefits families as well as the local economy.

A strong local economy is reliant on productive workers and people spending money. Funding human services programs achieves both goals. When funding for human services programs is reduced, people are less productive and have less income to spend. Investing in human services programs helps to create vibrant communities and provides businesses with a ready and able work force. The economic impact these groups have on our region is undeniable. For example, the combined retail spending of low and moderate households in the region is equal to the retail spending of all residents in the entire West Valley. The retail spending power of older adults is equal to all residents in both Scottsdale and Surprise combined. People are not just clients of human services programs, they are paying consumers who support our economy.

Economists report the recession has ended, yet difficult decisions remain. In this time of need, it is imperative that government, nonprofit agencies, and private citizens all provide assistance to one another. By coordinating our activities and resources, we can create sustainable communities with healthy economies and productive citizens. Human services programs support this goal by maximizing each person's potential to live independently. In the months ahead, additional budget reductions may be necessary to balance the budget. We encourage all elected officials to consider the vital role human services plays in creating a strong community and economy. Our region and its residents will benefit from this consideration.

Association of Arizona Food Banks: <http://www.azfoodbanks.org/>

Maricopa Association of Governments 2009 Regional Human Services Survey:
[http://www.azmag.gov/Committees/Committee.asp?CMSID=1000&MID=Human Services](http://www.azmag.gov/Committees/Committee.asp?CMSID=1000&MID=Human%20Services)

Protecting Arizona's Family Coalition: <http://www.pafcoalition.org/budget/>

U.S. Census Bureau: http://factfinder.census.gov/servlet/GRTTable?_bm=y&-box_head_nbr=R1701&-ds_name=ACS_2009_1YR_G00_&-format=US-30